

RFS: Setting the Record Straight

Myth vs. Fact

Recently, there has been a series of misguided attempts to weaken the Renewable Fuels Standard (RFS). Opponents have failed to acknowledge the success of renewable fuels in creating American jobs, supporting agricultural communities, saving taxpayers hard-earned dollars, and reducing dependence on overseas oil. The RFS has proven it is working and is the right policy for our country. **It is time to set the record straight.**

Myth	Fact
<i>The RFS contains a corn-based ethanol requirement</i>	The RFS mandates specific volumes of renewable fuel in our transportation fuel supply, not which feedstock must be utilized to meet the standard. While there are no carve outs for where the fuels come from, there is a cap for one type of fuel – corn ethanol. The transportation fuel marketplace, not the government, has determined that ethanol is currently the most efficient, available and cost effective renewable fuel to meet the standard today.
<i>40% of US corn is used to produce ethanol</i>	Less than one fifth of net corn acres are used to produce fuel. Other claims fail to take into account the significant quantities of distillers grains (DGs) created as a by-product of ethanol production. In fact, DGs represent the third largest supply of livestock feed produced in the world.
<i>The RFS raises food prices</i>	Analysis by the World Bank, USDA, and multiple other third parties has clearly demonstrated that the RFS has had a minimal impact on food inflation here and abroad. Corn prices were \$4.06 a bushel in 2008, rose to \$6.89 per bushel during one of the worst droughts in recent history in America's Corn Belt, and prices have dropped to \$3.65 after last year's harvest. This is below where prices were when the Energy Independence and Security Act of 2007 was passed. All the while, ethanol production has steadily increased.
<i>The RFS increases fuel prices</i>	According to the Oil Price Information Service (OPIS) data, the spot price of ethanol for the January 1, 2014 to December 31, 2014 period in the Chicago market averaged \$0.48 per gallon less than the gasoline into which it was blended, decreasing consumer gasoline prices.